The Finance Minister replying said that the Government was very anxious to give more relief to the farmers. For the moment, he would not advocate for further exemptions. Taking into consideration, the various suggestions put forward by the Members, Government would consider the question of introducing amendments to the principal Act.

The Bill as reported by the Subject Committee was taken into consideration.

Clause 2

Shri V. V. Joseph (Moovattupuzha) moved: In clause 2 (aa) proposed to be inserted in sub-section (1) of section 4 of the principal Act by clause 2(1) (a) (i) after the words "sweet potato" add the words "Cocoa, Clove"

He wanted the cocoa cultivators to be exempted from the agricultural income tax by taking into consideration their present plight.

The Minister said that Government was aware of the difficulties of cocoa cultivators. Government would certainly solve them. He did not accept the amendment.

The amendment was lost.
Clause 2 was adopted.

Clause 3

Clause 3 was adopted.

Clause 4

Shri V. V. Joseph (Moovattupuzha) moved: "In paragraph (1) of the Schedule to the principal Act proposed to be substituted by clause 4, for the words and figures "where the total agricultural income does not exceed Rs. 15,000" substitute the following namely:— NIL"

"where the total agricultural income does not exceed Rs. 20,000 Nil"

Minister did not accept the amendment.
The amendment was lost.
Clause 4 was adopted.

Clause 1, *Preamble and Title*

Clause 1, Preamble and Title were adopted.

On a motion by the Minister the Bill was finally passed.

The Kerala Forest (Amendment) Bill, 1981

The discussion on the motion for reference to subject committee of the Bill was resumed.

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Shri C. A. Kurian cautioned that the proposed levy of five per cent tax on timber sale would hit the common man. The construction cost of buildings would increase and Government would be forced to revise the P.W.D. schedule of rates, unless the Government would be able to supply the required building materials at reasonable rates to the Government contractors. The legislation would affect even the small bamboo and cane workers who make baskets and other house-hold goods. Small industrial units which were using forest produces as their raw material would also find it difficult to carry on their business. The price of Ayurveda medicines also might rise as medicinal plants and other forest produces required for the preparation of Ayurvedic medicines would be subjected to taxation. Sixty-six and two-thirds per cent of the Development Fund would be insufficient for the planting of soft wood trees and other species of trees which formed raw material for industries, compared to the past expenditure on that account, he said. He wanted the research work under the Forest Department to be made more effective and scientific. He urged the Minister to reconsider the necessity of enacting the bill, as it would affect the common man as well as the construction works of Government.

Shri C. M. Sundaram opposed the Bill. He was of the opinion that the Government could increase its revenue from Forests, if it were earnest in preventing large-scale plundering of forest wealth. Government had miserably failed to prevent plundering of forest produce. Costly timbers like teak and rosewood were being smuggled out on large scale. The Forest Officials were helpless in detecting cases because of inadequate protection staff. While big industrialists like Birla were being supplied with bamboo at the rate of only one rupee per tonne the poor harijans and girijans were made to pay Rs. 6 per headload of bamboo. He felt ashamed of the Government's attempt to impose tax on Ayurveda medicinal plants and other forest produces used for the preparation of Ayurvedic medicines. Timber should be supplied free of cost for the construction of houses to the houseless harijans and girijans.

Shri M. P. Thami opposed the Bill. He alleged that forest plundering and smuggling of timber from forests were going on in large scale with the connivance of forest officials. But Government could not so far take any action against the erring forest officials. Ten to twelve lorry loads of forest timber were being smuggled daily to Tamil Nadu from the Parambikulam forest area under the cover of agreement entered into with Gwalior Rayons for the supply of bamboo at the rate of one rupee per tonne. It should be looked into. He complained that lakhs of rupees were being wasted every year in the name of forest research. If the Government could effectively mobilise the forest resources and prevent plundering of forest produce, levy of the tax proposed in the Bill would not have become necessary. He wanted that no kind of tax should be imposed on forest produces collected by harijans and girijans for their livelihood.

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Shri K. K. Ramachandran Master opposed the Bill. According to him, the Bill would directly or indirectly affect everybody in the State. The price of timber would go up by thirty to fifty per cent due to levy of additional five per cent tax. Even the price of firewood would go up. If the functionings of the Forest Department were made more effective, the revenue from forests could be increased and the tax proposed could be dropped. Nobody was found sincere in protecting the forest wealth. There must be a scientific approach towards the development of forests. He did not favour in selling soft woods to the big industrialists at nominal rates. He wanted the Government to directly collect the soft woods and sell them at market rates. He wanted to withdraw the Bill as it would hit the common man.

Shri C. B. C. Warrier supported the Bill. He was for referring the Bill to a Subject Committee. The question of exempting from taxation certain items of forest produces used by the harijans and girijans to earn their livelihood should be examined by the Committee. Plundering of forest wealth should be strictly curbed. There is nothing wrong in forming a separate fund for developing the forests in the State. The Bill required modifications.

Shri Jose Kuttiani moved that the Bill be circulated to elicit public opinion. He was of the view that there was no necessity for such a legislation. He complained that Forest Department had failed in protecting the forest wealth of the State. Even without the imposition of the new tax, Government would have made more revenue from the forests through the effective functioning of the department. The reeds and bamboo worth about crores of rupees available in the Edamalayar project area should be cut and sold before they would be lost when the project was commissioned. He pointed out that Government was incurring huge loss in the sale of timber to the factories at concessional rates. He wanted the Government to clarify the Governments' policy towards the public sector undertakings in the State. He said that the present Government had gone back on the agreement it had entered into with Messrs Hindustan Paper Corporation in 1974 for the supply of raw materials like reed and eucaliptus for the newsprint factory at Velloor at concessional rates. Later on the Government had brought forward a Bill fixing the price if various kinds of forest produce. In that legislation there was provision to exempt the public sector unit from the proposed price. The order enforcing the exemption given to Hindustan Paper Corporation was challenged in the High Court by two other private firms. When the case came up for hearing, the Additional Advocate General, who appeared for the State Government did not defend the provisions granting exemptions and argued that he could not support the constitutional validity of Section 6 of the Kerala Forest Produce (Fixation and Selling) Act, 1978. Quoting from the judgement and the agreement, the member argued that the point raised by the Additional Advocate General was noted by the High Court which had made certain observations about it in the judgement. He wanted to know who had directed the Additional Advocate General to take

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such a position on an order issued by the Government. The High Court viewed that following the Government's decision, the Hindustan Paper Corporation would be compelled to pay Rs. 3.6 crores more to get its raw materials. A situation might arise in the near future compelling the Hindustan Paper Corporation to abandon the newsprint factory; that was what the High Court observed, he said. He wanted the present Bill to be withdrawn.

Shri K. V. Surendranath was of the view that unless proper attention was not bestowed on silviculture, the State's forest wealth would be endangered. It was an accepted fact that during the coming years, forest based industries might require huge quantities of various types of forest produce. For that adequate protection to our forest wealth and resources should be taken. More emphasis should be given to training of forest officers. Forest Research and Development should also receive highest attention and priority.

The Assembly adjourned at 12.38 p. m.

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